



Memorandum 36 /2005

Commonwealth of Massachusetts | Public Employee Retirement Administration Commission
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Joseph E. Connarton, *Executive Director*

MEMORANDUM

TO: All Retirement Boards

FROM: Joseph E. Connarton, Executive Director

RE: Disability Retirement Benefits for Veterans, Chapter 157 of the Acts of 2005

DATE: December 5, 2005

On November 22, 2005, the Governor signed Chapter 157 of the Acts of 2005, an Act that provides Section 7 accidental disability retirees with a veteran's benefit. Chapter 157 of the Acts of 2005 became effective on November 23, 2005. Section 1 of Chapter 157 of the Acts of 2005 states that any member of Group 1 or Group 2 or Group 4 who retires due to an accidental disability will receive an additional yearly retirement allowance of \$15 for each year of creditable service or a fraction thereof, and the total amount of this additional yearly retirement allowance will not exceed \$300. Section 1 is subject to local acceptance.

The definition of a "veteran" set forth in G.L. c. 4 § 7 cl. 43 as amended by Chapter 166 of the Acts of 2004, and explained in PERAC Memo #21/2004, will be used to determine a member's eligibility under Chapter 157 of the Acts of 2005. If a retiree was a veteran at the time of his or her retirement under the then current definition of G.L. c. 4 § 7 cl. 43, the retiree is entitled to an allowance under Chapter 157 of the Acts of 2005.

Section 2 of Chapter 157 of the Acts of 2005 makes the allowance retroactive to a retiree's date of retirement subject to local acceptance. If Section 2 is accepted, payments will be retroactive to the date of retirement for living retirees only. An application for the allowance must be made within 120 days after the retirement board accepts Section 2. The retirement board will make payment within one year after receipt of an application either in a lump sum or in installments. The retirement board must notify every accidental disability retiree of its acceptance of Section 2 to determine his or her eligibility as a veteran.

A retirement board must have a majority vote on each section of Chapter 157 of the Acts of 2005 for that section to be accepted. The first majority vote is an acceptance of Section 1 of Chapter 157 of the Acts of 2005 establishing the benefit. The second majority vote is an acceptance of Section 2 of Chapter 157 of the Acts of 2005 providing retroactive benefits for retirees prior to the effective date. The retirement board can accept the first majority vote even if it does not

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have a second majority vote. The retirement board cannot have a second majority vote if it does not have the first majority vote.

Chapter 157 of the Acts of 2005 becomes effective by the majority vote(s) of a jurisdiction's retirement board subject to approval by the legislative body of that system. The legislative authority cannot accept Chapter 157 of the Acts of 2005 without prior approval by the retirement board. However, the legislative body can reject the majority vote(s) taken by the retirement board.

For purposes of Chapter 157 of the Acts of 2005, legislative body means, in the case of a city, the city council in accordance with its charter, in the case of a town, the town meeting, in the case of a county, the county retirement board advisory council, in the case of a district, the district members, in the case of an authority, the governing body and in the case of a regional retirement system, the regional retirement board advisory council.

A retirement board must send a letter of notice to PERAC within 120 days after it takes its vote(s). The notice should include the section(s) the retirement board has accepted or declined, and whether the legislative body has accepted the vote(s) of the retirement board.

Retirement Board Accepts Section 1 Only and Approved by Legislative Body	Retirement Board Accepts Section 1 and Section 2 and Approved by Legislative Body	Retirement Board Declines Section 1 and Section 2
Prospective Veteran Benefits Only	Both Prospective and Retroactive Veteran Benefits	No Veteran Benefits

Enclosures